

Screenrights is a non-profit company which administers copyright licences in Australia and New Zealand and collects similar royalties from Europe and North America for its 2,600 members from 49 countries.

October 2005

Feature: Screenrights declares \$17.41 million for distribution to the film industry

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Collections increase

"Our distributions are now a substantial source of revenue for many members," Screenrights Chief Executive Simon Lake said. "This amount - \$17.41 million for distribution - is an increase of 7.47% on the \$16.2 million declared in the previous 12 months," Lake said. "It demonstrates the continued growth in the importance of Screenrights royalties to the film industry."

Total collections (including interest) increased by 9.11% to reach \$21.42 million. These collections come from three different sources; copying and communication royalties paid by Australian educational institutions, copying royalties from New Zealand educational institutions and royalties collected from other societies as part of Screenrights International Service.

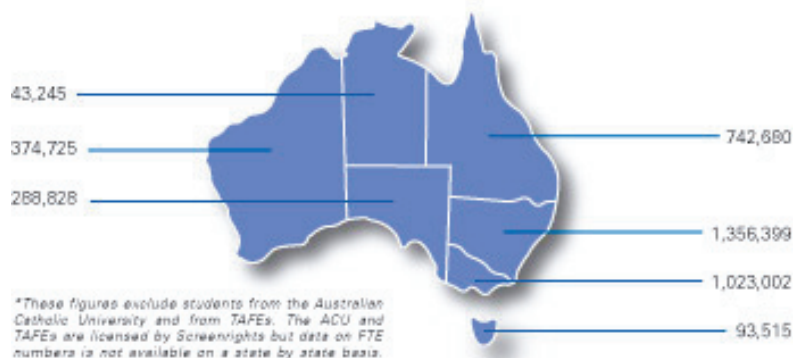


Lake said that the Australian Educational Service continued to account for the bulk of Screenrights' revenue. During 2004/05 total collections (including interest) from this service reached \$19.01 million. This was an increase of 10.01% on collections during the previous 12 months.

"It is Screenrights most established service, and its continued growth shows that it is meeting two very important needs," Lake said. "It ensures access to television in teaching, and it provides revenue to the people who make programs educators want to use."

Nearly all Australian schools, TAFEs and universities have a Screenrights licence that lets teachers copy from television, giving more than 4 million students access to an important educational resource.

No. of students that benefit from Screenrights' licences



Enhancetv growth

In recognition of the importance of the Australian educational service to both filmmakers and educators, Screenrights established www.enhancetv.com.au, an online resource portal for teachers using television in the classroom.

"Teachers can copy under their Screenrights licence, but prior to enhancetv they often had difficulty knowing which upcoming programs were relevant. Teachers also wanted access to teaching material to help them in using TV in the classroom. *enhanceTV* provides this information, so that teachers can get the most out of their Screenrights licence," Lake said. "It also enables filmmakers to promote their work to this important market for free."

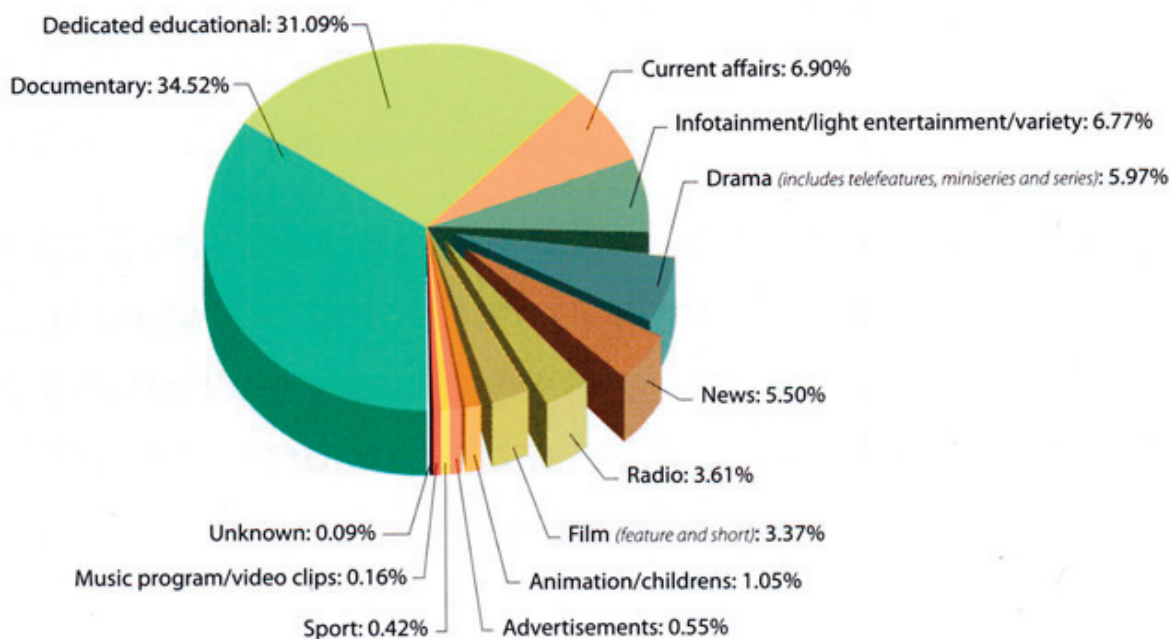
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During the last twelve months the popularity of the site has continued to grow.

- Subscribers to *enhanceTV* more than doubled during 2004/05 with over 4000 educators now receiving the weekly email guide of television highlights.
- The number of resources available has also increased, with more than 350 study guides and over 60 feature articles available for free.

Copied programs by genre

Each year, Screenrights does a breakdown of copied programs by genre, with documentaries, followed by dedicated educational programming, once again topping the list. During 2003/04, these two types of programs accounted for over 65% of the titles copied by educators.



Expenses

In order to determine the distribution pool, Screenrights deducts its expenses from its total collections.

This year, expenses increased by 21.4% to reach \$4.70 million, however \$1.25 million of these expenses can be attributed to Screenrights' application to the Copyright Tribunal for a retransmission royalty rate.

Screenrights has been declared by the Government to collect royalties from pay television operators for the retransmission of free to air broadcasts. Once the application to the Copyright Tribunal has been determined, Screenrights will be able to distribute retransmission royalties to its members.

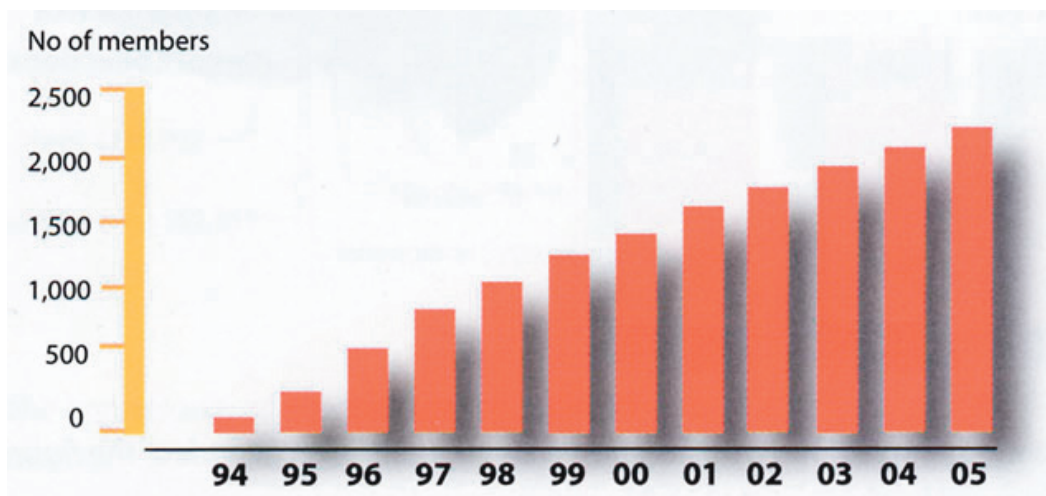
"The increase in expenses is therefore attributable to this application," Lake said, "Without the Copyright Tribunal application, our expenses to collections ratio would have remained largely steady at 16.1%, compared to 15.8% for the 2003/04 period."

Lake said that ultimately this application would benefit Screenrights' membership, by bringing in an important new source of revenue.

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Growth in membership

During 2004/05, Screenrights' membership continued to grow, with an increase of 14% to reach a total of 2,258 members from 51 countries around the world.



Efficiency in distribution

Over this 12-month period, the Member Services team had very impressive results in distributing royalties. \$16.20 million was paid out to members, with the team exceeding its distribution targets.

- 83.13% of the 2004 Australian educational royalties were distributed by 30 June 2005; the distribution target was 70%.
- More than 98.7% of the 1999 educational royalties were distributed to members before the 30 June 2005 expiration date, leaving only 1.3% of this money to roll over into the next year's distribution pool.

"These results are particularly pleasing," Lake said. "Members should be paid as soon as possible, and our team works hard to ensure this happens."

The future

Lake said that the continued growth in 2004/05 augured well for the years to come.

"Our current services continue to perform well, and we will soon be introducing the new retransmission service," Lake said. "Screenrights is assured of a strong and vital future in providing access to audio-visual resources and payment to the people who make this work."

Full details can be found in Screenrights annual report. This can be downloaded from our website: www.screen.org

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Election of directors

Screenrights is delighted to announce the appointment of the following directors to its Board: Martin Armiger, Nick Collis-George, Will Davies and Sue Taylor. The Board also said farewell to Tania Chambers who has been a director since 1996 and retired at the last elections.

The Board is comprised of 12 directors who serve a three-year term. Each year four directors resign and may stand for re-election. This year Martin Armiger, Nick Collis-George, Will Davies and Tania Chambers resigned, with only Chambers not standing for re-election.

Screenrights Chief Executive Simon Lake said that Chambers, who is Chief Executive of ScreenWest, had made a "valuable input to the Board across a wide range of issues."

"Her background as independent film and television producer and her current work with ScreenWest made her a great resource," Lake said. "We are all very sorry to see her go and would like to wish her all the best for the future."

Chambers said: " It has been a very rewarding time watching Screenrights become more and more valuable to the screen community over the last nine years. We have always fought for the rights of members to receive their just share of the proceeds which contribute so much to our culture and our community. Some great achievements stand out in my mind - especially *enhanceTV* - which I know will enrich students lives and help teachers too. I wish members and colleagues in the Screenrights team every success in the future".

New Board member

Sue Taylor also hails from W.A. She has a long track record in producing and directing documentaries and drama, including the acclaimed mini series **The Shark Net**.

The full Board of Directors now comprises (in alphabetical order):

- Martin Armiger
- David Baldock
- Jill Bryant
- Nicholas Collis-George
- Will Davies
- John Ford
- Bridget Godwin
- Nicholas Hampton
- Philip Nelson
- Sue Taylor
- Allison Rowe
- Alison Weston

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Top up payments being made

Following changes to tax legislation, Screenrights has commenced making top up payments to members who have previously received royalties for titles broadcast during the 2003/04 financial year.

Prior to these changes, Screenrights had to pay tax on royalties held in trust for members. Now royalties are only taxed in the hands of the recipients. These changes mean that Screenrights is now able to distribute income that had been put aside for tax payments in the 2003/04 period.

In some cases members will receive an additional payment, however, in other cases the top up payment will be made with the 2005 distribution to that member.

Members who have queries or would like further information can contact Member Services Executive Cameron Patience, email: cameron@screen.org

Have you registered your titles with Screenrights?

Members who have registered their titles with Screenrights may want to check with Member Services as to whether their registrations cover the collection of Australian retransmission and International royalties.

Simply email memberservices@screen.org to find out what your registration covers or, if you have not yet registered with us, you can download the necessary forms from our website: www.screen.org

Screenrights has been appointed by the Australian Government to administer provisions in the Copyright Act that require pay television operators to pay copyright owners for the retransmission of free to air broadcasts of their programs.

The rate for retransmission is currently being determined by the Copyright Tribunal. Once this rate is established, Screenrights will begin the process of paying copyright owners in programs broadcast on free to air television in Australia, and retransmitted, since May 2001.

"Many members have already registered with us and have indicated that their registration covers the payment of Australian Retransmission royalties," Member Services Executive Cameron Patience said. "However, if a member isn't sure, they should ask us. Members may also want to check whether they have indicated that they would like Screenrights to collect international royalties on their behalf."

Screenrights International Service offers a one-stop shop for global returns, collecting royalties for members from societies in Europe, Canada and the United States. The administration fee for this service has been capped at 12% until 1 July 2007, making it one of the most competitive in international collections. To find out more about our International Service, contact Screenrights International Relations Coordinator Maha Ismail: maha@screen.org

"Making your registration global is simple," Patience said. "Members who have not already done this can contact us and we will explain the procedure."

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ATOM Winners

Screenrights would like to congratulate the winners of the 2005 ATOM Awards, in particularly Sacha Ettinger Epstein and Kaye Harrison, both of whom won Screenrights' sponsored awards for their documentaries.

The Australian Teachers of Media (ATOM) Awards recognise the achievements of Australian and New Zealand professionals, educators and students in 31 categories.

This year the Awards were held in Melbourne on 7 October. Screenrights sponsored the Best Tertiary Documentary (awarded to Sacha Ettinger Epstein from the Australian Film Television and Radio School for **Change of Heart**) and Best Documentary Social and Political Issues (awarded to Kaye Harrison from Change Focus Media for **Crossing the Line**).

Directors' copyright

Changes to the Australian Copyright Act mean directors will receive a share of retransmission royalties from Screenrights once the Copyright Tribunal determines the appropriate rate.

The Copyright Amendment (Film Directors Rights) Bill was passed after the proposal was examined by the Senate Legal and Constitutional Committee.

Screenrights put a submission before the committee saying that it would not comment on who should or should not be eligible for retransmission royalties. Screenrights said that as the bill was currently drafted it would be able to administer the retransmission service.

The retransmission provisions provide that pay television operators pay copyright owners for the retransmission of free to air broadcasts of their work. Screenrights has been appointed by the government to administer these provisions. The amount of payment is currently being determined by the Copyright Tribunal.